



U.S. Department of Justice

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MARENGO CONTRACTOR CONVICTED ON FEDERAL FRAUD AND TAX CHARGES

ROCKFORD – PATRICK J. FITZGERALD, United States Attorney for the Northern District of Illinois; ALVIN PATTON, Special Agent-In-Charge of the Chicago Office of the Internal Revenue Service - Criminal Investigation Division (“IRS-CID”); and ROBERT D. GRANT, Special Agent-In-Charge of the Chicago Office of the Federal Bureau of Investigation (“FBI”), today made the following announcement:

After a four week trial, a federal jury today returned guilty verdicts against **JOHN M. VOLPENTESTA**, 52, formerly of Marengo, Illinois, convicting him of two counts of mail fraud, two counts of wire fraud, eleven counts of failing to pay over to the IRS taxes he withheld from the wages of his employees, three counts of failing to file unemployment tax returns, and three counts of failing to file personal income tax returns. The jury acquitted Volpentesta of two remaining mail fraud counts.

The fraud charges arose from Volpentesta’s operation of a residential construction business located in Marengo, known as Volpentesta Construction, Inc. (also known as “VCI”). The indictment alleged that Volpentesta defrauded at least four families with whom VCI contracted to build homes. Specifically, the indictment charged Volpentesta with obtaining large sums of money from these families by: (1) falsely stating that VCI had performed work on their homes that was actually performed by subcontractors; (2) fraudulently billing his customers for work to performed by subcontractors and materials suppliers, and then failing to pay those subcontractors and suppliers; (3) billing customers for materials he used on other projects, including a strip mall he owned; and (4) charging additional “fees” tow which VCI was not entitled under its contracts with the families. The indictment also alleged that Volpentesta defrauded certain individuals who invested money in, or loaned money to, VCI by making false promises about the security of their investments and when their money would be returned. According to the indictment, Volpentesta defrauded his construction customers and investors out of a total of more than \$1 million dollars.

The indictment also charged Volpentesta with seventeen federal tax charges. Eleven of those counts charged that from the second quarter of 2003, through the fourth quarter of 2005, Volpentesta collected federal income tax, Medicare, and Social Security taxes from the wages of VCI’s employees, but then failed to pay those monies to the IRS. According to the indictment, the amount of taxes Volpentesta collected from his employees and failed to pay to the IRS was \$164,999. Three of the tax counts charged Volpentesta with failing to file Form 940 Federal Unemployment Tax returns on behalf of VCI for the years 2003, 2004, and 2005. The remaining three counts charged Volpentesta with failure to file Form 1040 federal income tax returns on behalf of himself and his wife for the years 2003, 2004,

and 2005. According to these three counts, Volpentesta received gross income in the following amounts during those years: (1) 2003 – \$375,853.01; (2) 2004 – \$156,844.95; and (3) 2005 – \$193,833.53.

Sentencing for Volpentesta is scheduled for November 17, 2010 at 2:30 p.m. Each of the fraud charges carries a maximum sentence of twenty years of imprisonment, a period of supervised release of three years, restitution, and a fine of the greater of \$250,000 or twice the amount of the loss. Each of the charges of failing to pay employment taxes to the IRS carries a maximum sentence of five years of imprisonment, a period of supervised release of three years, restitution, and a fine of up to \$250,000. Each of the charges of failing to file a federal tax returns carries a maximum sentence of one year of imprisonment, a period of supervised release following imprisonment of 1 year, a period of supervised release of 1 year, restitution, and a maximum fine of up to \$100,000. Volpentesta's actual sentence will be determined by the United States District Court, guided by the United States Sentencing Guidelines.

The case was investigated by the Rockford offices of the IRS-CID and FBI. The case is being prosecuted in federal court by Assistant United States Attorneys SCOTT A. VERSEMAN and BRENDAN A. MAHER.

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